

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

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SUBJECT: Update on State Legislation

ITEM NUMBER:   6  

ATTACHMENT(S):   1  

ACTION:   

MEETING DATE: July 12, 2000

INFORMATION:   X  

PRESENTER: Ed Derman

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**SUMMARY**

Attached is a summary of legislation concerning investments, Mr. Derman will provide a verbal update at the meeting.

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – INVESTMENT COMMITTEE**  
**1999-2000 Regular Session – June 21, 2000**

[illegible]

AB 107      AUTHOR:      Assembly Member Knox  
                  TITLE:      Tobacco divestment  
                  AMENDED: 2/29/00  
                  LOCATION: Senate PE&R  
                  BOARD POSITION: No Position\*

**SUMMARY:** Prohibits new or additional investments in tobacco companies by CalSTRS and CalPERS on and after January 1, 2001 and total divestment by July 1, 2002.

**COSTS:** Benefit program – None

Administrative – Approximately \$4.36 million in transactions costs to divest domestic and international tobacco equities. Approximately \$22 million in active risk to the total portfolio.

P – CFT, CTA, UTLA

O – None Known

AB 2745      AUTHOR:      Assembly Member Kaloogian  
 TITLE:      Public retirement fund investments in national security  
 AMENDED:   5/9/00  
 LOCATION:   Assembly Appropriations (Held in committee)  
 BOARD POSITION: Oppose\*

**SUMMARY:** Requires CalSTRS and CalPERS to investigate and report on investments in foreign companies that pose a threat to national security, as specified, on or before January 15<sup>th</sup> of each year.

**COSTS:** Benefit program – None  
Administrative – Unknown, but potentially significant.

P – California Professional Firefighters

0 – None known

[illegible]

## LEGEND OF ABBREVIATIONS

P = PROPONENTS    O = OPPONENTS

<b><u>ABBREVIATION</u></b>	<b><u>ORGANIZATION</u></b>
AALA	Associated Administrators of Los Angeles
ACCCA	Association of California Community College Administrators
ACSA	Association of California School Administrators
AFSCME	American Association of State, County and Municipal Employees
AFT	American Federation of Teachers
AGENCY	State and Consumer Services Agency
A.R.E.	Association of Retirees for Equity
ART	Association of Retired Teachers
BOE	Board of Equalization
BOG	Board of Governors, California Community Colleges
Cal-Tax	California Taxpayers Association
CalPERS	California Public Employees Retirement System
CalPIRG	California Public Interest Research Group
CalSTRS	California State Teachers' Retirement System
CAPE	California Alliance for Pride and Equality
CASBO	California Association of School Business Officers
CCA	Community College Association
CCAE	California Council for Adult Education
CCC	California Community Colleges
CFA	California Faculty Association
CFT	California Federation of Teachers
CNEC	California Network of Educational Charters
CPCA	California Police Chiefs' Association
CPFFA	California Professional Firefighters Association
CRTA	California Retired Teachers Association
CSAC	California State Association of Counties
CSBA	California School Boards Association
CSEA	California School Employees Association
CSL	California Senior Legislature
CSU	California State University
CTA	California Teachers Association
DOE	Department of Education
DOF	Department of Finance
DGS	Department of General Services
DPA	Department of Personnel Administration
FACCC	Faculty Association of California Community Colleges
F.A.I.R.	Faculty Attempting to Improve Retirement
FCPHE	Faculty Coalition for Public Higher Education
FTB	Franchise Tax Board
LADSA	Los Angeles Deputy Sheriffs' Association

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### **ABBREVIATION**

### **ORGANIZATION**

LAUSD	Los Angeles Unified School District
OCDE	Orange County Department of Education
PARS	Public Agency Retirement System
PERF	Public Employees Retirement Fund
RPEA	Retired Public Employees Association
SACRS	State Association of County Retirement Systems
SBMA	Supplemental Benefit Maintenance Account
SDCOE	San Diego County Office of Education
SEIU	Service Employees International Union
SLC	State Lands Commission
SSC	School Services of California
SSDA	Small School Districts' Association
START	State Teachers' Automation Redesign Team
TRB	Teachers' Retirement Board
TRF	Teachers' Retirement Fund
TRL	Teachers' Retirement Law
UTLA	United Teachers of Los Angeles

### **STANDING COMMITTEES OF THE ASSEMBLY/SENATE**

Assembly PER&SS	Assembly Public Employees, Retirement and Social Security
Senate PE&R	Senate Public Employment and Retirement